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F- Village General

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September 28, 1985

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TO THOSE ON THE ATTACHED
DISTRIBUTION LIST

Dear Members of the Working Group:

I enclose a revised draft, marked to show changes,
of the Preliminary Official Statement for The Village of
Sauget, Illinois Special Service Area Number 1 bond
transaction.

Please call me as soon as possible with your
comments and questions.

Very truly yours,

T. Stephen Dyer

/sr

Enc.

cc: Spencer B. Burke
James H. Erlinger

*Comments
called in 10/4/85
[Signature]*

WGK 1484188

**\$8,500,000 Village of Sauget, Illinois
Special Service Area Number 1 Unlimited
Ad Valorem Tax Bonds Series 1985**

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DRAFT

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PRELIMINARY OFFICIAL STATEMENT, DATED SEPTEMBER 30, 1985

NEW ISSUE

In the opinion of Bond Counsel, interest on the Bonds is exempt from Federal income taxes under present law. Interest on the Bonds is not exempt from Illinois income taxes.

\$8,500,000

VILLAGE OF SAUGET, ILLINOIS

SPECIAL SERVICE AREA NUMBER I

UNLIMITED AD VALOREM TAX BONDS

SERIES 1985

Dated: October 1, 1985 Due: January 1, as shown below

Interest on the Village of Sauget, Illinois Special Service Area Number I Unlimited Ad Valorem Tax Bonds Series 1985 (the "Bonds") will be payable on July 1 and January 1 in each year by the principal office of Centerre Trust Company of St. Louis, Missouri, which is acting as Paying Agent, Registrar and Transfer Agent, to the person whose name such Bond is registered at the close of business on the 15th day next preceding the payment date, with the first interest payment date being July 1, 1986. The Bonds will be issued as fully registered bonds in the denomination of \$5,000 or integral multiples thereof, not exceeding the aggregate principal amount of the Bonds maturing in any one year.

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^

Bonds maturing on and after January 1, 1996 are subject to redemption at the option of the Village of Sauget, Illinois Special Service Area Number I (the "Issuer") on any interest payment date on and after January 1, 1995, in whole or in part, in inverse order of maturities and by lot within a maturity, in integral multiples of \$5,000 at a redemption price of par and accrued interest to the date of redemption plus a premium, all as more fully described herein under the heading "DESCRIPTION OF THE BONDS AND REDEMPTION PROVISIONS".

The principal of and interest on the Bonds will be payable out of taxes levied on all taxable property within the boundaries of the Issuer and from certain funds and accounts, as described in this Official Statement. Such taxes will be levied for the sole benefit of the holders of the Bonds as described more fully in this Official Statement. Such holders have a security interest in and a lien upon such taxes. Upon collection of taxes levied to pay the Bonds by St. Clair County and receipt by the Village, such amounts will be deposited directly with Centerre Trust Company.

^
The Bonds do not constitute a debt or liability of the State of Illinois or the Village of Sauget, Illinois (the "Village"), or any political subdivision thereof, other than the Issuer.

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MATURITY SCHEDULE

<u>Due Date</u> <u>July 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u> <u>Or Price</u>
1987	\$ 100,000	%	%
1988	125,000		
1989	150,000		
1990	175,000		
1991	200,000		
1992	225,000		
1993	550,000		
1994	625,000		
1995	775,000		
1996	875,000		
1997	1,000,000		
1998	1,400,000		
1999	1,800,000		
2000	2,000,000		

(accrued interest from October 1, 1985 to be added)

The Underwriters intend to make a public offering of the Bonds of the Issuer, but are not obligated to purchase the Bonds. See "Underwriting" herein.

The Bonds are offered when, as and if issued by the Area and subject to approval of legality by Chapman & Cutler, Chicago, Illinois, Bond Counsel. Certain legal matters will be passed on for the Underwriters by their counsel, Bryan, Cave, McPheeters & McRoberts, St. Louis, Missouri and for the Issuer by its counsel and the Village Attorney of the Village, Harold G. Baker, Jr., Belleville, Illinois. It is expected that the

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Bonds in definitive form will be available for delivery in St.
Louis, Missouri on or about October 31, 1985.

Dated: October __, 1985

CENTERRE BANK NATIONAL ASSOCIATION

A. G. EDWARDS & SONS, INC.

DREXEL ^ABURNHAM LAMBERT, INCORPORATED

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No dealer, broker, salesman or other person has been authorized by the Village of Sauget, Illinois Special Service Area Number I (the "Issuer") or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing or as statements of the Issuer or the Village. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information set forth herein has been obtained from the Issuer, the Village of Sauget, Illinois (the "Village"), the Sauget Sanitary Development and Research Association (the "Association") and from such governmental bodies or other sources which are believed to be reliable, but such information is not guaranteed as to its accuracy or completeness by, and is not to be construed as a representation by, the Issuer or the Underwriters. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Village, any other governmental body described herein or the Association or in any of the other matters described herein since the date hereof. Certain factors affecting the financial and other affairs of the Issuer and certain additional information material to decisions to invest in the Bonds are set forth throughout this Official Statement, which should be considered in its entirety, and no one factor should be considered less important than any other by reason of its position in this Official Statement. This Official Statement is submitted solely in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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OFFICIAL STATEMENT

relating to

VILLAGE OF SAUGET, ILLINOIS
SPECIAL SERVICE AREA NUMBER I

\$8,500,000

Unlimited Ad Valorem Tax Bonds
Series 1985

INTRODUCTION

This Official Statement, which includes the Cover Page and Appendices, sets forth information concerning the Village of Sauget, Illinois Special Service Area Number I (the "Issuer") and its \$8,500,000 Unlimited Ad Valorem Tax Bonds Series 1985 (the "Bonds"), in connection with the proposed offering and sale of the Bonds. The Issuer was created by an Ordinance dated February 12, 1985 (the "Ordinance"), adopted by the President and Board of Trustees, and approved by Paul Sauget, the President of the Village of Sauget, Illinois (the "Village"). The Bonds will be issued pursuant to the Ordinance, and an implementing bond issuance and tax levy ordinance to be adopted by the President and Board of Trustees and approved by the President of the Village.

The Bonds are a debt of the Issuer only and do not constitute a debt of the State of Illinois or the Village within the meaning of any constitutional or statutory limitation. Neither the credit nor the taxing power of the Village is, or under any circumstances shall be, pledged as security for the payment therefor.

The summaries of, and references to, all documents ordinances, statutes, constitutions, reports or other instruments referred to herein do not purport to be complete and are qualified in their entirety by reference to each such document, ordinance, statute, constitution, report or instrument.

Investment Considerations

Payment of the principal of, premium, if any, and interest on the Bonds is dependent on the collection of ad valorem taxes to be levied on real property within the Village of Sauget, Illinois. A description of certain risk and other factors is included in the section entitled "INVESTMENT CONSIDERATIONS" herein.

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VILLAGE OF SAUGET, ILLINOIS
SPECIAL SERVICE AREA NUMBER I

A special service area is a contiguous area within a municipality in which special governmental services are provided in addition to the services provided generally throughout the municipality. The Illinois Constitution of 1970 allows a municipality to levy additional real estate taxes in a specific area within its boundaries for the purpose of providing special services to that area that are not available to the entire municipality or to levy taxes to pay the principal and interest on Bonds issued to provide such special services. The cost of the services provided by a special service area are paid from revenues collected from taxes levied or imposed upon taxable property within that special service area. These taxes are extended by the County Clerk and appear as part of the regular real estate tax bill for only that taxable real estate located within the special service area. The corporate authorities of the municipality constitute the governing body of a special service area.

2 The Village of Sauget, Illinois Special Service Area Number I was established pursuant to the Village's power as a home rule unit granted in Part (2), paragraph L of Section 6 of Article VII of the Illinois Constitution and in accordance with the provisions of Chapter 120 §§1301 et seq. of the Illinois Revised Statutes, which govern the establishment of a Special Service Area and the levy of taxes to provide for the payment of debt incurred by the _____. Pursuant to the provisions of Illinois law, on January 10, 1985, the President and Board of Trustees of the Village adopted, and the President of the Village approved, an ordinance proposing the establishment of the _____, the authorization of the issuance of up to \$10,000,000 unlimited ad valorem tax bonds to finance the repair and partial rehabilitation of the existing sewage and wastewater-collection system, and proposing the levy of taxes in the _____ to pay for the Bonds proposed to be issued. The ordinance further fixed February 12, 1985 as the date of a public hearing to be held for consideration of the foregoing proposals and provided for the giving of notice of the meeting by publication and by mail, as required by statute.

Timely notice of the hearing was sent by United States mail to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, trust or parcel of land lying within the _____. For all property on which taxes for the next preceding year had not been paid, the notice was sent to the person listed on the tax rolls prior to that year as the owner of said property. Notice of the hearing was also published in two (2) local newspapers having a general circulation within the Village.

The public hearing was held on February 12, 1985, and upon final adjournment of that hearing, the President and Board of Trustees enacted, and the President approved, the ordinance creating the Issuer, permitting the Issuer to issue up to \$10,000,000 in Bonds and authorizing the County Clerk of St. Clair County, Illinois to extend taxes against all taxable property within the _____ in an amount sufficient to pay the maturing principal and interest of the Bonds (the "Ordinance"). The Ordinance became effective immediately subject to the right under Illinois law for the Issuer's property owners to file a petition calling for an election during the sixty day period following publication of the Ordinance. No such petition was filed.

The Issuer is governed by the same governing body as the Village. Thus, the Issuer is governed by the Village's President and Board of Trustees. The President and current members of the Board of Trustees are as follows:

<u>Name</u>	<u>Position</u>	<u>Current Term</u>
Paul Sauget	President	1985-89
Carl L. Batson	Trustee	1985-89
Billy Bethea	Trustee	1985-89
Joe Hawkins, Jr.	Trustee	1983-87
Edward T. Holton	Trustee	1985-89
Maurice McDaniel	Trustee	1983-87
Richard A. Sauget	Trustee	1985-87

The President and the six member Board of Trustees, along with the Village Clerk, are all elected at large for four year overlapping terms.

Boundaries of the Issuer

Except for businesses located at Downtown St. Louis-Parks Airport (formerly known as Bi-State Parks Airport), which are not served by the Village sewer system, the Issuer includes all of the commercial and industrial areas of the Village.

Generally included within the boundaries of the Issuer is all of the part of the Village lying west of the east right of way line of the Missouri Pacific Railroad Company (the "Railroad"), which runs north and south through the Village and generally parallel to the Mississippi River. It also includes a tract owned by Mobil Oil Company (a wholly owned subsidiary of Mobil Oil Corporation) which lies east of the Railroad. Excluded from the boundaries of the Issuer is all residential property lying west of the Railroad, including property not

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presently used for residential purposes but zoned for such future use, and, with the exception of the Mobil Oil Company tract noted above, all property lying east of the Railroad.

A more detailed description of the boundaries of the Issuer is set forth in the Ordinance creating the Issuer, and is available from the Issuer or the Village, as is a map showing in more detail the boundaries of the Issuer.

THE VILLAGE

The Village is an Illinois municipal corporation and home rule unit located in southwestern Illinois immediately across the Mississippi River from St. Louis, Missouri. The Issuer is located entirely within the municipal limits of the Village. The Village has a population of approximately 205 residents (1980 census) in an area encompassing approximately 3.5 square miles. The Village primarily consists of several large industrial complexes, all of which are within the boundaries of the Issuer. The principal highway serving the Village is Illinois Route 3, which connects directly north of the Village with Interstate Highways 44, 55, 64, and 70.

Like the Issuer, the Village is governed by a President and six member Board of Trustees elected at large for four-year overlapping terms, with day to day operations managed by the President and a full-time Village Clerk. The Village owns its sewage collection system, which is operated by the Sauget Sanitary Development & Research Association (the "Association"). For further information regarding the System and the Association, see the sections captioned "THE SYSTEM" and "THE ASSOCIATION" herein.

THE SYSTEM

The existing chemical treatment plant of the Village combined wastewater and sewage collection and treatment system (the "System") provides primary treatment of combined stormwater and domestic and industrial wastewater flows. The wastewater treatment facility, which was initially constructed in 1967 and upgraded in the mid-1970s, has a peak capacity of 24 million gallons per day. The System also includes an 800,000 gallon capacity storage lagoon to accommodate combined storm and wastewater overflows.

The System serves a small number of residential customers and treats a relatively insignificant domestic flow. The capacity of the System is almost entirely occupied with flows from major industrial users in the Village. The wastewaters collected through the System are and will be discharged into the Mississippi River after treatment. All

collection and treatment expenses are presently borne primarily by ten industrial customers located within the Village and are allocated on the basis of sewage flow and content. Rates vary based on actual expense levels, with surpluses or deficiencies in one period reflected in subsequent period billings. In addition, while the System is owned by the Village, it is operated by the Association.

During the past several years, there has been an accelerated rate of major sewer breaks and a general deterioration of the System of the Village. As a consequence, the infiltration rate into the system has increased dramatically. This increase in the infiltration of outside water into the System has increased the load on the System. Flooding conditions and an associated high groundwater table in late 1982 and early 1983 appear to be a primary cause of both increased rate of deterioration of the System and associated sewerline breaks, and the increased infiltration rate. Due to the acidic and corrosive characteristics of some of the industrial wastes handled by the System, the poor condition of the existing system and the increased load on the System due to the increased infiltration rate, the potential for an emergency situation has increased significantly. The Village has also concluded that, based on the age of the sewer system and the recent increased necessity of major repairs, the average annual costs required for emergency repairs and rehabilitation would increase significantly over the next few years absent corrective measures.

In response to the concern generated by numerous sewer failures, substantial and expensive repairs to the System and the belief that infiltration into the System had reached unacceptable levels, the President of the Village authorized P. H. Weis & Associates, Inc. and Rhytasel & Associates, Inc. (collectively, the "Engineers") to evaluate and analyze the Village's sewer system on the basis of the problem of infiltration-inflow, the condition of the sewer system (including its repair history and past expenditures for repairs), the proposed rehabilitation and improvements to the System and long-term solutions to the previously described problems.

The Engineers' report outlined a comprehensive project for the correction of the System's problems. Due to the relative nature and size of the required repairs and improvements, the needed repairs and improvements were segmented into 10 phases. Their total cost was estimated to be \$16,973,000.

THE PROJECT

Proceeds of the Bonds shall be used to repair and rehabilitate various parts and sections of the System. The Project will be segmented into phases, which follow in large part the recommendations contained in the Engineering Report prepared by the Engineers. Due to the large flows involved and their continual nature, the Engineering Report recommended that some of the individual phases include construction of by-pass sewers and/or continual by-pass pumping during construction. In addition, the Engineering Report recommended that some permanent by-pass lines be installed to safeguard the future integrity of the System should future repairs become necessary. The Engineering Report identified ten phases of repairs and improvements which the engineers felt the System needed. The Project financed with the Bonds will include four of the ten phases described in the Engineering Report and certain other minor projects not included in the Engineering Report.

The first three phases of the Project (which constitute Phases I, II, and III of the Engineering Report) involve the replacement and rehabilitation of existing sewer lines, the construction of new primary and by-pass sewer lines and the construction and rehabilitation of various interceptor boxes (i.e., locations where several sewer lines connect into one main line) and manholes. The improvements that are needed most immediately to avoid a potential emergency situation are expected to be completed first. The respective estimated costs, including engineering fees and contingency allowances, for these three phases are approximately \$2,291,300, \$1,372,800, and \$983,400, respectively.

The fourth phase of the Project (which constitutes Phase VIII of the Engineering Report) involves transforming a portion of a creek into a stormwater detention basin. The basin will be used for the collection of stormwater bypass flows from the surrounding area until such time as the collected flows can be reintroduced into the System for proper treatment and disposal. The main benefits of Phase IV are the elimination of residential basement backup and reduction of the surcharging effect in sewers downstream. The estimated cost, including engineering fees and contingency allowances, of phase IV is approximately \$2,113,100.

The information concerning the four major phases of the Project described above was based on the information and recommendations contained in the Engineering Report. Minor projects include extensions of sewer lines along Mobil Avenue and Monsanto Avenue. The minor projects are expected to cost approximately \$430,000.

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ESTIMATED SOURCES AND USES OF PROCEEDS

The proceeds from the sale of the Bonds, plus interest earned on the proceeds during the period of construction is expected to be as follows:

Proceeds of the Bonds	\$8,500,000
<u>Estimated Interest earned</u>	
<u>during construction (1)</u>	<u>791,874</u>
	<u>\$9,291,874</u>

Such proceeds plus cash on hand plus interest are expected to be expended as follows:

<u>Estimated Cost of Projects</u>	\$7,190,600
<u>Estimated Capitalized Interest (2)</u>	
<u>Estimated Cost of Issuance, Underwriters'</u>	<u>^</u>
<u>discount and contingencies (3)</u>	<u>^</u>
	<u>\$9,291,874</u>

- (1) Assumes a construction period of 36 months, a 7% return on investments and 36 equal monthly construction payments beginning on November 1, 1985 with a final payment on October 1, 1988.
- (2) This amount will be used to pay the July 1, 1986 interest payment. ^
- (3) See "UNDERWRITING" for further description of the underwriting discount.

2,116,000
7,190,600 =

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DESCRIPTION OF THE BONDS
AND REDEMPTION PROVISIONS

General

The Bonds will mature on January 1, in the years and in the principal amounts and will bear interest at the rates, per annum as set forth on the Cover Page of this Official Statement. Interest will accrue from October 1, 1985 and will be payable on each July 1 and January 1 of each year, with the first interest payment date being July 1, 1986.

The Bonds will be issued as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The principal and redemption price of the Bonds will be payable at Centerre Trust Company of St. Louis ("Centerre Trust Company"), St. Louis, Missouri. Interest on the Bonds will be payable by check mailed by Centerre Trust Company to the holders of Bonds at their addresses as shown on the registry books of the Issuer maintained by Centerre Trust Company as Bond Registrar on the 15th day of the month next preceeding the interest payment date.

Redemption Provisions

Bonds maturing on or after January 1, 1996, will be subject to redemption, at the option of the President and Board of Trustees, on any interest payment date on or after January 1, 1995, in whole or in part, in intergral multiples of \$5,000, in inverse order of maturity and by lot within a maturity, at the redemption prices (expressed as percentages of the principal amounts of the Bonds to be redeemed) set forth in the following table, plus accrued interest to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
January 1 or July 1, 1995	103%
January 1 or July 1, 1996	102%
January 1 or July 1, 1997	101.5%
January 1 or July 1, 1998	101%
January 1, 1999 or any interest payment date thereafter	100%

All Bonds called for redemption will cease to bear interest from and after the date specified for redemption, provided that sufficient funds to redeem all Bonds called for redemption are on deposit at the place and at the time indicated in the notice of redemption.

Notice of Redemption

Notice of any redemption shall be sent by registered or certified mail not less than thirty days nor more than sixty days prior to the date fixed for redemption to each registered owner of any of the Bonds to be redeemed at the address then shown on the registry books of the Issuer maintained by Centerre Trust Company as Bond Registrar or at such other address as is furnished in writing by such registered owner to Centerre Trust Company.

SECURITY FOR THE BONDS

The Bonds issued are general obligations of the Issuer, and the full faith and credit of the Issuer is pledged to the payment of the principal of premium, if any, and interest on the Bonds. Under the Bond Ordinance (the "Bond Ordinance") adopted by the Issuer prior to issuance of the Bonds, taxes on all taxable real property located with the boundaries of the Issuer, unlimited as to rate or amount, are required to be extended (that is, computed for billing to property owners) at rates sufficient to produce those amount necessary to pay the principal of and interest on the Bonds when due.

The taxes levied to pay principal of and interest on the Bonds will be for the sole benefit of holders of the Bonds, holders of the Bonds having a lien upon and security interest in all taxes levied to pay the Bonds. Under the Bond Ordinance, those taxes are required to be collected by the County Treasurer of St. Clair County, Illinois (who is the ex-officio Tax Collector) and, upon remittance by the County to the Issuer, are to be deposited with Centerre Trust Company to be held in trust for the holders of the Bonds.

A special fund to be designated "Village of Sauget, Illinois Special Service Area Number I Bond and Interest-Fund of 1985" (the "Bond Fund") will be created by the Issuer. The amounts deposited in the Bond Fund are irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds. Amounts received by the Issuer in respect of taxes levied for the payment of the principal of premium if any, and interest on the Bonds shall be deposited into the Bond Fund.

The proceeds from the sale of the Bonds shall be deposited into the "Village of Sauget, Illinois Special Service Area Number I Project Fund" (the "Project Fund") which will be created by the Issuer. Disbursements from the Project Fund shall be made only for the purposes set forth in the Ordinance and the Bond Ordinance.

Other than (i) the proceeds of taxes levied to pay the Bonds, (ii) the proceeds of the Bonds deposited in the Project Fund (iii) the proceeds of any refunding obligations, (iv) all amounts deposited in the Bond Fund pursuant to the Bond Ordinance, and (v) investment earnings on the foregoing amounts, the Issuer is not expected to have any monies available for payment of the Bonds and interest thereon. Except to pay its bonds, including the Bonds, the Issuer has no taxing power.

The Bonds do not constitute a debt of the Village, the State of Illinois or any political subdivision thereof, other than the Issuer, within the meaning of any constitutional or statutory limitation. Neither the credit nor the taxing power of the Village, the State of Illinois or any political subdivision thereof, other than the Issuer, is, or under any circumstances will be, pledged as security for the payment thereof.

TAXES FOR THE BONDS

At the time the Bonds are sold, the Issuer shall adopt and file with the County Clerk an ordinance providing for the levy of taxes for payment of the Bonds. The ordinance will include a provision for the levy of a direct, continuing annual tax upon all of the taxable property in the Issuer, sufficient, to produce the sums necessary in each year for the payment of interest on the Bonds and for the payment of the principal thereof and premium, if any, thereon, without limitation as to rate or amount and in addition to and in excess of any taxes that may now or hereafter be authorized to be levied. The Issuer also has the right to levy deficiency taxes if tax collections are inadequate.

TAX LEVY AND COLLECTION PROCEDURES

Taxes to pay the principal of and interest on the Bonds will be levied on all taxable property within the Issuer. All tax levies adopted by local governmental bodies in St. Clair County (the "County") having taxing powers (the "taxing units") are filed at the County Clerk's office. The County Clerk computes tax rates for each taxing unit based on the levies filed and the equalized assessed valuation of taxable property subject to the tax levies of that taxing unit, and ensures that the rates for each taxing unit do not exceed those authorized by law. There is no constitutional or statutory limitation, either as to rate or amount, upon the Issuer's authority to levy ad valorem taxes to pay the principal of, premium, if any, and interest on the Bonds. After the tax rates have been determined, the County Clerk then determines the amount of taxes to be billed with respect to

each parcel of real and railroad property by aggregating the tax rates for each taxing unit to which that particular parcel is subject. Those taxes are entered in the books prepared by the County Clerk for the County Collector. Those books are the County Collector's authority for collection of taxes and are used by the County Collector as the basis for billing taxes to property owners.

Property taxes in the County are collected by the County Collector (who is also the County Treasurer). Under the Bond Ordinance, the County Collector will be directed to distribute the Issuer's share of the collections directly to the Village Treasurer who will in turn remit such amounts to Centerre Trust Company for deposit into the Bond Fund. Taxes levied in any year generally become due and payable in the following year. Real estate taxes are by statute payable in two installments during the year. The first installment of real estate taxes, which constitutes one-half of the real estate taxes due, is statutorily payable on June 1. The second installment is statutorily payable on September 1. Taxes on railroad real property used for transportation purposes have also been collected by the St. Clair County Collector on the same dates as those used for payment of real estate taxes.

In recent years, the County has not utilized the dates set by statute for the collection of taxes. The volume of assessment complaints required to be reviewed by the Board of Review, changes in assessment procedures, and delay in the determination of equalized assessed valuations, among other things, can affect the date in which bills are actually mailed and taxes are due. (For example, the last date for timely payment of the second installment of the 1984 taxes in the County is December 2, 1985.) Delinquent taxes accrue interest at the rate of 1 1/2% per month until they are paid or until the property is forfeited. By Illinois statute, the County has a first lien upon real property for the payment of taxes. Delinquent taxes may be collected by judicial foreclosure; however, the time and cost of such proceedings may make the exercising of this authority impractical.

The County Assessor assesses all taxable real property situated in the County, except for railroad real property used for transportation purposes. By statute, the property in the County is to be reassessed every four years, and the assessed valuation is set at 33 1/3% of fair cash value of the property. A reassessment was made in the County during 1984; this was the first reassessment in forty years. Appeals from such assessed valuations are reviewed by the St. Clair County Board of Review and can then be appealed to the Illinois Property Tax Review Board or the Illinois State courts. The assessed valuations are subject to equalization by the Property Tax

Administration Bureau of the Department of Revenue of the State through use of a multiplier, known as the "equalization factor," to make assessed valuations uniform for each county throughout the State. After the equalization factor has been established, the County Assessor multiplies the assessed valuations by the equalization factor to determine the "equalized assessed valuations" and certifies the equalized assessed valuations to the County Clerk. The local tax rates are then applied to the equalized assessed valuations. Railroad real property used for transportation purposes is separately assessed by the Department of Revenue, which certifies the values to the County Clerk. Such values are not subject to revision by the equalization factor.

Various parcels of real estate are exempt from taxation, in whole or in part, due to certain statutory exemptions. In general, school property, property used exclusively for religious purposes or orphanages, property belonging to the State of Illinois, property belonging to any County, Village, City or taxing district, property belonging to institutions of public charity, property of not-for-profit health maintenance organizations and property used for the extinguishment of fires, are all exempt from taxation. Further exemptions, partial exemptions and special valuations exist for property held by certain persons, homesteads, certain homestead improvements, rehabilitation projects, farmland, airports and enterprise zones.

The foregoing exemptions notwithstanding, taxes levied to pay the Bonds must nevertheless be extended against taxable property at rates sufficient to produce the amounts necessary to pay the principal and interest of the Bonds when due.

^
VALUATION OF TAXABLE PROPERTY
WITHIN THE VILLAGE AND THE ISSUER

[The equalized assessed valuation in 1984 of taxable property located within the boundaries of the Issuer was \$25,834,603. This constituted 97.6% of the equalized assessed valuation of the Village for 1984. While comparable figures for the equalized assessed valuation for the Issuer is not available for prior years, such information for taxable property in the Village is available.]

The following table sets forth information with respect to the valuation of taxable property located within the boundaries of the Village for the five most recent assessment years:

W GK 1484206

<u>Year</u>	<u>Equalized Assessed Valuation (1)</u>	<u>Estimated Full Value (2)</u>
1980	\$23,502,604	\$70,507,812
1981	21,566,219	64,698,657
1982	22,899,319	68,697,957
1983	22,293,795	66,881,395
1984	<u>26,470,799</u>	<u>79,412,397</u>

(1) Source: Office of County Clerk and Audited Financial Statements of the Village.

(2) Based on Equalized Assessed Valuation being 33-1/3% of the Estimated Fair Cash Valuation.

The following table sets forth the top seven taxpayers in the Issuer, the 1984 equalized assessed valuation of their respective properties located within the boundaries of the Issuer, and the percentage of that valuation to the total equalized assessed valuation of property located within the boundaries of the Issuer:

	<u>1984 Equalized Assessed Valuation</u>	<u>% of Total Equalized Assessed Valuation for the Area</u>
Monsanto Company	\$12,214,784	47.3%
Mobil Oil Company	3,016,019	11.7
Cerro Copper Products Co.	2,972,014	11.5
Union Electric Co.	2,104,186	8.1
AMAX Zinc Company, Inc.	1,908,922	7.4
Ethyl Petroleum Additives Inc.	888,633	3.3
Midwest Rubber Reclaiming Co.	<u>512,480</u>	<u>2.0</u>
TOTAL	\$23,617,038	<u>91.3%</u>

Source: Office of County Clerk of St. Clair County, Illinois.

[Several of the taxpayers listed above have appealed their 1984 equalized assessed valuations for 1984. Successful appeals may vary the percentages listed above. This will not affect the gross amount of taxes which would be extended and levied, but only the respective amounts to be paid by each taxpayer.]

For brief descriptions of the top seven taxpayers, see Appendix C.

TAX COLLECTION HISTORY OF THE VILLAGE

As a newly formed entity, the Issuer has not previously levied or extended taxes. However, the equalized assessed valuation property comprising the Issuer constitutes 97.6% of the equalized assessed valuation of the Village, and tax collection information is available for the Village.

The following table sets forth information with respect to taxes levied for the five most recent levy years on real estate and railroad property in the Village, the amounts of such taxes collected during such years, and the respective percentages of taxes collected in relation to taxes levied during the particular years:

<u>Tax Collection Record</u>					
Levy Year	1979	1980	1981	1982	1983
Current Taxes Extended	\$971,587	\$759,769	\$1,298,588	\$888,974	\$1,221,321
Less: Protested Taxes	<u>137,500</u>	<u>82,881</u>	<u>-0-</u>	<u>17,120</u>	<u>-0-</u>
Net Current Taxes	\$834,087	\$676,888	\$1,298,588	\$871,855	\$1,221,321
Current Taxes Collected	\$833,939	\$662,755	\$1,297,720	\$871,855	\$1,201,472
Back Taxes Collected	<u>15,946</u>	<u>3,333</u>	<u>13,109</u>	<u>13,552</u>	<u>22,551</u>
Total Taxes Collected	\$849,885	\$666,088	\$1,310,829	\$885,407	\$1,224,023
Current Taxes Collected as a Percentage of Net Current Taxes	99.99%	97.90%	99.90%	100.00%	98.37%
Total Taxes Collected as a Percentage of Net Current Taxes	101.89%	98.40%	100.94%	101.55%	100.22%

WGK 1484208

OVERLAPPING ENTITIES AND INDEBTEDNESS

Although the Bonds of the Issuer are not obligations of the State of Illinois, St. Clair County or the Village, the property tax base for such obligations and for certain other obligations of the State, County, Village and other units and districts in proximity to and, in some instances, encompassing the Issuer are overlapping. Each of these entities is a separate governmental entity under the laws of the State of Illinois, derives its power and authorities under the laws of the State, has an independent tax levy, and maintains its own financial records and accounts. Property taxes for these overlapping entities are levied upon all taxable property in the Issuer and, in some cases, in other parts of the County as well; each is authorized to issue debt obligations. Non-home rule units of local government are subject to statutory debt limits established by the Illinois General Assembly. Home rule units are not presently subject to such limits.

Financial developments with respect to such other taxing bodies may affect the market for and market prices of the Issuer's obligations. Consequently, factors affecting the financial condition of those taxing bodies should be considered prior to any purchase of the Bonds.

[The principal taxing districts overlapping with the Issuer are the Village of Sauget, Illinois and the Cahokia Unit School District 187. For further information regarding the Village, see the section entitled "THE VILLAGE" herein.

Cahokia Unit School District 187 (the "District") includes the municipalities of Cahokia, Sauget, portions of Alorton, portions of Centreville and certain other surrounding unincorporated areas. The District maintains a system of public schools for grades kindergarten through 12th grade. The District is governed by a seven (7) member board whose members are elected to four (4) year staggered terms. General responsibilities for administration of the school system operated by the District rest with the Superintendent of Schools, subject to board approval. The current superintendent has been with the school district for twenty-seven (27) years.

The District is currently taxing at the maximum rate allowable under current law, and any increase in taxes would require approval by the voters in a referendum for such purpose.]

The following table sets forth the Pro Forma Direct and Overlapping Debt applicable to the Issuer and all of the entities whose tax bases overlap that of the Issuer, as well as selected pro forma debt statistics, assuming the issuance of \$8.5 million aggregate principal amount of the Bonds offered

hereby. Such information has been obtained from the Office of the County Clerk and neither the Issuer nor the Underwriters have independently verified such information and do not warrant its accuracy or completeness. Except as noted, information with respect to the outstanding debt of such major entities does not include outstanding revenue obligations or tax anticipation notes.

PRO FORMA DIRECT AND OVERLAPPING DEBT

	<u>Outstanding Bonds</u>	<u>Percent Attributable To the Issuer</u>	<u>Issuer's Direct and Overlapping Debt</u>
The Bonds	\$ 8,500,000	100.0000%	\$ 8,500,000
Village of Sauget	5,385,000	97.5966	5,255,577
St. Clair County	300,000	2.3986	7,196
St. Clair County Building Commission*	6,495,000	2.3986	155,789
Cahokia Unit School District 187	3,219,000	26.6350	857,381
Belleville Area College District 522	<u>2,400,000</u>	1.3503	<u>32,407</u>
TOTAL	\$26,299,000		\$14,808,350

* Technically these are revenue bonds, not general obligation bonds. However they are shown here because they are to be paid out of rentals payable annually by the County of St. Clair, but to be derived from ad valorem taxes.

Source: Office of County Clerk of St. Clair County, Illinois

SELECTED PRO FORMA DEBT STATISTICS

[The following table sets forth certain pro forma statistics assuming the issuance of the Bonds and 1984 Equalized Assessed Valuations:

Equalized Assessed Valuation of the Area	\$25,834,603
Estimated Full Valuation of the Area	\$77,503,809
Net Direct Bonded Debt	\$13,755,577
Net Direct and Overlapping Bonded Debt	\$14,808,350

WGK 1484210

Net Direct Bonded Debt as a percentage of Equalized Assessed Valuation	53.24%
Net Direct Bonded Debt as a percentage of Estimated Full Valuation	17.75%
Net Direct Bonded and Overlapping Debt as a percentage of Equalized Assessed Valuation	57.32%
Net Direct Bonded and Overlapping Debt as a percentage of Estimated Full Valuation	19.11%
Estimated tax rate per \$100 Equalized Assessed Valuation for the Area after issuance of the Bonds assuming 1984 Equalized Assessed Valuations]	

TAX RATES OF THE VILLAGE

The tax rates per \$100 of equalized assessed valuation of the Village, for the five most recent tax years are as follows;

	[1980	1981	1982*	1983*	1984*
General	\$0.4000	\$0.4000	\$0.8200	\$0.8200	\$0.8200
Bond & Interest	2.2248	4.9530	2.7978	4.3779	3.4693
Audit	0.0200	0.0200	—	—	—
Police Protection	0.1500	0.1500	—	—	—
Public Liability	0.0600	0.0965	—	—	—
Retirement	0.2279	0.2519	0.2643	0.2804	0.2475
Retirement Deficiency	—	—	—	—	0.2478**
Total	\$3.2327	\$6.0214	\$3.8821	\$5.4783	\$4.7846

* The Village combined Audit, Police Protection, Fire Protection and Public Liability into General.

** To be levied for only one year to correct a deficiency.

Source: Office of County Clerk and Audited Financial Statements of the Village of Sauget]

WGK 1484211

THE REGIONAL SYSTEM

The Village has been designated by the Illinois Environmental Protection Agency as the "lead agency" to plan, design, construct, finance and operate a regional wastewater treatment system (the "Regional System") which is under construction and should be in operation late in 1985 or early in 1986. The Regional System will constitute an integral part of the Village's existing system and will be operated by the Association as a separate division of the System.

The Regional System will primarily consist of a wastewater treatment plant having a capacity of 27 million gallons per day, the necessary pump stations and force mains needed to integrate the Regional System with the existing water collection and distribution system presently serving parties to the Regional Agreement with existing water systems and an outfall sewer and pumping station to the Mississippi River. The wastewater treatment plant has been designed to provide primary and secondary treatment and to accommodate a peak hourly flow equivalent to 52 million gallons per day.

The Village has executed a separate Regional Agreement with the Illinois local government units of the City of East St. Louis, the Village of Cahokia and the Commonfields of Cahokia Public Water District, all of which are located in St. Clair County, Illinois.

The Regional Agreement provides, among other things, that the Regional System will collect, treat and dispose of all wastewater discharged by each of the parties to the Agreement, and in connection therewith, each user will pay the duly established charges imposed by the Village in connection therewith. ^

The Regional System will be operated by the Village, through the Association, as a separate division of the System. To provide for all costs of operating and maintaining the Regional System and to secure the payment of all debt service and reserve requirements for the Village of Sauget Regional Wastewater Treatment Revenue Bonds, Series 1982, which were issued to finance parts of the Regional System, the Village has entered into long-term contracts with Monsanto Company, Edwin Cooper, Inc., Pfizer, Inc., Cerro Copper Products Company (the "Companies"), the City of East St. Louis, the Village of Cahokia and the Commonfields of Cahokia Public Water District for wastewater collection and treatment services to be provided by the Regional System. The payments specified to be made by the Companies under the contracts are to be sufficient, in the aggregate, together with all other revenues derived by the Village from the operation of the Regional System, to provide

for all operations and maintenance costs thereof and to pay, when due, all principal and interest related to the Series 1982 Regional Wastewater Treatment Revenue Bonds.

The Series 1982 Bonds do not constitute a debt of the Issuer, the Village, the County, the State of Illinois or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the credit nor the taxing power of the Village or the Issuer is, or under any circumstances will be, pledged as security for the payments therefor.

THE ASSOCIATION

Sauget Sanitary Development & Research Association (the "Association") is responsible for the operation of the Village's sewer system and initial wastewater treatment plant and will be responsible for the operational aspects of the improvements to the System financed with the proceeds of the Bonds. The Association is a Delaware not-for-profit corporation which is authorized to do business in Illinois. Its membership consists of the five largest industrial concerns in the Village: AMAX Zinc Company, Inc., Cerro Copper Products Co. (formerly Cerro Corporation), Edwin Cooper, Inc., Midwest Rubber Reclaiming Company and Monsanto Company. The Board of Directors of the Association consists of ten members appointed annually. Each member of the Association is represented by one director on the Board, except Monsanto Company which has five. In addition, the Village President is a Board member.

The Association was incorporated in 1965 by representatives of the larger industrial concerns in the Village. Its purposes, among others, are to conduct technical studies and to provide and render services, advice and assistance with respect to the development, construction, maintenance, use and operation of sewage facilities for the effectual treatment and disposal of sewage in the Village. Due to the Association's access to sources of research and the knowledge and experience of its directors with respect to sewage treatment and disposal matters, the Village entered into a contract in 1966 providing for the Association to operate the Village's initial wastewater treatment plant. That contract has since been expanded to include the operation of the Village's existing physical/chemical plant and will be further expanded to include the operation of the Regional System.

The Association operates the Village's existing physical/chemical wastewater treatment plant at cost and will similarly operate the Regional System wastewater treatment plant.

INVESTMENT CONSIDERATIONS

This section is intended to present a brief summary of some investment considerations and risk factors which potential purchasers of the Bonds should consider in determining whether to purchase the Bonds. This summary is not intended to be complete or comprehensive.

The repayment of principal and interest on the Bonds is dependent on the collection of taxes levied by the Issuer in amounts sufficient to meet the debt service requirements on the Bonds. The collection of those taxes depends in large part on the payment by the major property owners located within the boundaries of the Issuer of taxes levied by the Issuer. Certain information concerning these property owners is contained in Appendix C and a description of the remedies of the Issuer in the event of nonpayment of taxes is contained in the section entitled "Tax Levy and Collection Procedures". No assurance can be given that the Country, on behalf of Issuer, will be able to collect the taxes levied or that such collections, if made, will be made in a timely fashion.

In the event a taxpayer fails to pay his tax bill, the County may foreclose on property which is the subject of the bill. However, in the event the forfeited property sells for an amount less than the tax levied on the property, the Issuer may be unable to meet the debt service requirements on the Bonds or may be unable to meet the debt service requirements on the Bonds in a timely fashion.

The taxes to be levied by the Issuer will be paid by relatively few taxpayers. The top seven taxpayers own 91.3% of the total current equalized assessed valuation of taxable property in the Issuer, and Monsanto Company currently accounts for 47.3% of such property. To the extent that one or more of these major taxpayers would be unwilling or unable to pay their tax bills in a timely manner, there would be a significant impact on the Issuer's ability to meet its debt service obligations on the Bonds in a timely fashion. Consequently, the financial ability of the major taxpayers to pay their taxes should be considered by potential purchasers of the Bonds.

The Bonds are unrated. This may make the Bonds an unsuitable investment for many investors, and as such, may affect the marketability of the Bonds. It is not anticipated that the Bonds will be actively traded in any secondary market, although the underwriter intends, but is not obligated, to make a market in the Bonds. These factors may affect the liquidity of an investor's investment in the Bonds.

WGW 1484214

The Bonds do not constitute an obligation of the Village, The County, the State of Illinois or any political subdivision thereof, other than the Issuer.

FEDERAL BANKRUPTCY

[Chapter 9 of the Federal Bankruptcy Code permits any political subdivision or agency of a state to file a petition for relief under the provisions of that law if the subdivision or agency is authorized to do so by state law. Neither the Village nor the Issuer is so authorized under present Illinois law. No assurance can be given that Illinois law will not be altered at a future date to permit such a filing.

Under present provisions of the Federal Bankruptcy Code, any plan to adjust the debts of any political subdivision or agency would become effective only upon approval of the bankruptcy court after required approvals from any creditors of that subdivision or agency had been obtained. The filing of such a petition with respect to the Issuer, as with other financial developments with respect to the Issuer, might affect the market for and market prices of the Bonds.]

LITIGATION

There is no action, proceeding or litigation pending or, to the knowledge of the Village or the Issuer threatened, in any way contesting or affecting the issuance, sale, execution or delivery of the Bonds or the validity or enforceability of the Bonds or the security therefor, or the legal existence or powers of the Village or the Issuer, or seeking to restrain or enjoin the issuance, execution, sale or delivery of the Bonds. Upon delivery of the Bonds, the Village and the Issuer will furnish a certificate to the effect that no such litigation is then pending or, to its knowledge, threatened.

NO RATING ON THE BONDS

The Bonds have not received a rating from Standard & Poor's Corporation, Moody's Investors Service, Inc. or any other bond rating service, and it is not anticipated that any such ratings will be issued.

WGK 1484215

UNDERWRITING

The Underwriters have jointly severally agreed, subject to certain conditions, to use their best efforts to

offer and sell the Bonds of the Issuer to the public at a price not in excess of the initial public offering price, plus accrued interest, set forth on the Cover Page of this Official Statement. Upon the sale of the Bonds of the Issuer, as described above, the Underwriters will receive an aggregate underwriters' discount of 3 (\$425,000) from the initial public offering price set forth on the Cover Page of this Official Statement.

TAX EXEMPTION

In the opinion of Bond Counsel, interest on the Bonds is exempt from Federal income taxes under present law. Interest on the Bonds is not exempt from Illinois income taxes.

CERTAIN LEGAL MATTERS

It is anticipated that at the closing, Chapman & Cutler, Chicago, Illinois, Bond Counsel, will deliver its approving legal opinion. The proposed form of such opinion is attached as Appendix C to this Official Statement, and delivery thereof in substantially such form is a condition to closing. A copy of such opinion will be printed on the Bonds.

Certain legal matters will be passed upon for the Underwriters by Bryan, Cave, McPheeters & McRoberts, St. Louis, Missouri, as counsel to the Underwriters.

Certain legal matters with respect to the Village and Issuer will be passed upon by Harold G. Baker, Belleville, Illinois, Counsel to the Issuer and Village Attorney of the Village.

OTHER MATTERS

Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of such estimates or projections will be realized.

Information in this Official Statement relating to the Village and the Issuer has been obtained from the Village and information in this Official Statement relating to governmental bodies other than the Village and the Issuer has been obtained from other sources which are believed to be reliable; such information is believed to be correct but is not warranted as such by the Underwriters or the Issuer.

The references herein to the Ordinance and other documents are brief summaries of certain provisions thereof.

Such summaries do not purport to be complete and reference is made to such documents and instruments, the forms of which are available from the Issuer, for full and complete statements of the provisions of those documents and instruments.

AUTHORIZATION

The execution and delivery of this Official Statement have been duly authorized by the Issuer.

THE VILLAGE OF SAUGET, ILLINOIS
SPECIAL SERVICE AREA NUMBER 1

By Paul Sauget
President

WGK 1484217

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Brief Descriptions of Top Seven Taxpayers

Appendix AA

Monsanto Company

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Monsanto Company ("Monsanto") is a multi-national corporation engaged directly and through subsidiaries in the manufacture and sale of a widely diversified line of products in the following principal business segments: Chemical Intermediates, which includes intermediate chemicals such as styrene and acrylonitrile as well as Monsanto's oil and gas exploration and production activities; Industrial Chemicals, which includes detergent intermediates, phosphate derivatives, specialty and nutrition chemicals, rubber chemicals, lasticizers and silicon; Plastics & Resins, which includes polystyrene, ABS, SAN and nylon thermoplastics and polyvinyl butyral sheet used in laminated glass; Textiles, which includes nylon and acrylic fibers; Agricultural Chemicals, which includes herbicides and insecticides; and Fisher Controls, which manufactures instrumentation equipment, control valves, and regulators. The principal products manufactured at the W.C. Krummrich Plant in the Village are detergent builders, and surfactant and industrial phosphates for the pharmaceutical and personal products market, and nitrochlorobenzene derivatives for use in chemical and hydrocarbons. ~~Monsanto's products are derived principally from petroleum and natural gas, along with other raw materials, and are marketed as raw materials and intermediate products, and also are converted by Monsanto into finished products.~~ close

Intermediates

Monsanto is currently building an \$18 million rubber chemical facility at its W.C. Krummrich Plant in the Village. It is also investing approximately \$12 million in sewer, electrical and computerization improvements at this plant. These new projects are expected to be completed in 1986.

Monsanto Company was incorporated in 1933 under Delaware law and is the successor to a Missouri corporation, Monsanto Chemical Works, organized in 1901. Monsanto has been operating the plant in the region which is now the Village since 1917.

Monsanto Company's principal executive offices are located at 800 North Lindbergh Boulevard, St. Louis, Missouri 63167.

Monsanto Company is subject to the informational reporting requirements of the Securities Exchange Act of 1934 and will provide without charge to each person to whom this Official Statement is delivered, on the written request of such person, a copy of Monsanto Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1984, and its Quarterly Report on Form 10-Q for the quarter ended March 31, 1985 filed

pursuant to Section 13 of the Securities Exchange Act of 1934. Monsanto recently acquired G.D. Searle and Company at a cost of approximately \$2.7 billion.

Cerro Copper Products Co.

Cerro Copper Products Co., ("Cerro"), a Delaware Corporation and member of the Marmon Group of Companies, operates a copper refinery and tube mill in the Village.

Cerro's 50,000 ton per year refinery operates on high-grade copper scrap only and is unique in its abilities to produce electrolytic copper cathode of the highest quality from recycled material. The tube mill has employed innovative technology in its production methods.

The electrolytic refinery started operations in 1928 and tube making operations began in 1940. The company occupies a 60 acre tract fronting on Illinois Route 3 and is well provided by rail service and all major utilities, including direct pipeline service of natural gas.

Cerro's tube manufacturing plant in the Village is the largest in the nation and, in addition to producing a significant percentage of all the general plumbing tube in this country, also supplies several smaller tube mills with base stock, called redraw tube. An additional plant owned by the company operates in Shelby, Missouri.

Its present employment level is approximately 813 hourly and salaried people.

The mailing address for Cerro Copper Products Co. is P.O. Box 681, East St. Louis, Illinois 62202. Inquiries regarding Cerro should be directed to that address.

~~AMAX~~ Zinc Company, Inc.

AMAX Zinc Company, Inc., ("AMAX") a wholly-owned subsidiary of AMAX, Inc., has operated an electricity zinc plant in the Village since 1972. The plant's current annual capacity is approximately 80,000 tons of zinc. In addition, by-product silver, cadmium and sulfuric acid are produced.

The bulk of AMAX's zinc sales are distributed between the galvanizing and die-casting markets in approximately a two-to-one ratio. In addition, AMAX makes periodic sales to the U.S. Mint for production of the U.S. penny. During 1983 approximately 11% of AMAX's zinc sales were for the U.S. Mint penny production. Current employment at the plant is approximately 370.

WGK 1484219

The mailing address for AMAX Zinc Company, Inc., is P.O. Box 2347, East St. Louis, Illinois 62202. Inquiries regarding AMAX should be directed to that address.

Ethyl Petroleum Additives, Inc. (formerly Edwin Cooper, Inc.)

Ethyl Petroleum Additives, Inc., ("EPAD") is a division of Ethyl Corporation, a group of companies with diversified business interests involving petroleum and industrial chemicals, plastics, aluminum, and energy related activities in coal, oil, and natural gas.

EPAD specializes in the research, development and production of chemical additives for incorporation in the products of the oil industry, and it is best known for the development and production of lubricants for use in gasoline and diesel engines and transmission systems, as well as for the manufacture of industrial lubricants. EPAD is currently the sixth largest producer of additives in the world.

The activities of EPAD in the chemical additives field extend from research in new products through practical application trials and production on an industrial scale. EPAD specializes in products to meet customers' specific requirements. Chemical additives, lubricants and other products manufactured by EPAD are marketed under the trade name "Hitec".

EPAD employs approximately 700 employees worldwide, including a total of approximately 228 employees at the Village manufacturing plant, one of two production facilities owned and operated by EPAD. This manufacturing plant, which was acquired in 1971, houses production, shipping, warehousing and administrative facilities on a 36-acre site. Growth at the Village plant has been dramatic over the last ten years, with employment increasing from 120 employees to its present level. In addition, over the last ten years over 40 million dollars of new capital has been spent for the addition of new production facilities, warehouses, laboratories, and general plant renewal.

EPAD was incorporated in 1969 under Delaware law and its principal executive offices are located at 20 South Fourth, St. Louis, Missouri 63101-1886. Inquiries regarding EPAD should be directed to that address.

Midwest Rubber Reclaiming Co.

Midwest Rubber Reclaiming Co., ("Midwest") a wholly-owned subsidiary of GIT Industries, produces reclaimed rubber from tires, tubes, and natural cured scrap. Reclaimed rubber is used in new molded rubber products such as tires, tubes, pipe insulation, floor mats and adhesives.

Midwest has been located in the Village since 1918. Midwest produces more than 40,000,000 pounds of reclaimed rubber annually, which qualifies it as one of the largest rubber reclaimers in the world. During the past ten-years Midwest has made capital investments of \$5,000,000 to its facilities. Current employment is approximately 161.

Midwest was incorporated in 1946 under Delaware law, and its principal offices are located in Sauget, Illinois.

The mailing address for Midwest Rubber Reclaiming Co. is, P.O. Box 2349, East St. Louis, Illinois 62202 Inquiries regarding Midwest should be directed to that address.

MOBIL OIL CORPORATION

[Mobil Oil Corporation ("Mobil"), incorporated in the state of New York in 1882, conducts an integrated petroleum business in the United States. It has many affiliates throughout the world - separately incorporated and independently operated - that are engaged in petroleum operations. Mobil and some of its affiliates also engage in the manufacture and marketing of chemical products.

Mobil and its consolidated subsidiaries have business interests in over 100 countries and employed approximately 71,300 people worldwide at December 31, 1984. The petroleum industry is highly competitive. It also competes with other industries in supplying energy, fuels, and other products. The chemical industry, in which Mobil has some operations, is also highly competitive.

Mobil Oil Company, a wholly owned subsidiary of Mobil Oil Corporation, property within the boundaries of the Issuer, which consists primarily of fuel storage and handling facilities. The Village facility receives various fuels in bulk from river barges and other sources and stores the fuels until such time as they are loaded into trucks or other barges for further distribution. Mobil Oil Company's facility in the Village has approximately twenty four (24) employees.

Mobil Oil Corporation, the parent corporation of Mobil Oil Company which operates the facility in the Village, is subject to the informational reporting requirements of the Securities Exchange Act of 1934 and information regarding Mobil Oil Corporation, including Mobil Oil Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1984 and its most recent Quarterly Report on Form 10-Q filed pursuant to Section 13 of the Securities Exchange Act of 1934,

may be obtained from the Securities Exchange Commission (the "SEC"). Separate information regarding Mobil Oil Company is not available from the SEC.]

UNION ELECTRIC CO. 

[Text to come]

Appendix B

Estimated

Debt Service On The Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest(1)</u>	<u>Total Debt Service</u>
1986		^	^
1987	75,000		
1988	100,000		
1989	125,000		
1990	125,000		
1991	150,000		
1992	150,000		
1993	475,000		
1994	525,000		
1995	650,000		
1996	750,000		
1997	825,000		
1998	1,225,000		
1999	1,575,000		
2000	<u>1,750,000</u>		
	8,500,000		

(1) Based on an assumed rate of ^%.

Appendix C

[Proposed Legal Opinion of Bond Counsel]

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